Supreme Court of the United States.

OCTOBER TERM, A. D. 1902.

No. 307.

WILLIAM R. WARNER, EXECUTOR OF THE ESTATE OF WILLIAM R. WARNER, DECEASED, APPELLANT,

vs.

THE SEARLE & HERETH COMPANY, GIDEON D. SEARLE, FRANK S. HERETH, AND O. T. EASTMAN.

Appeal from the United States Circuit Court of Appeals for the Seventh Circuit.

BRIEF IN BEHALF OF APPELLANT OPPOSING MOTION TO DISMISS.

May it please the Court:

The motion to dismiss for want of jurisdiction is based upon the allegation that the jurisdiction of the United States Circuit Court was dependent entirely upon the fact that the opposite parties to the suit were citizens of different states, and that in such cases the decree of the Circuit Court of Appeals is made final by the provisions of the statute.

Sections 5 and 6 of the Act creating the U. S. Circuit Court of Appeals, approved March 3, 1881, regulate the tribunals to which appeals may be taken.

Section 5 provides:

"That appeals or writs of error may be taken from the district courts or from the existing circuit courts to the Supreme Court in the following cases:

"In any case in which the jurisdiction of the court is in issue; in such cases the question of jurisdiction alone shall be certified to the Supreme Court from the court below for decision.

"From the final sentences and decrees *in prize* causes.

"In cases of a conviction of a capital or otherwise infamous crime.

"In any case that involves the construction or application of the Constitution of the United States.

"In any case in which the constitutionality of any law of the United States, or the validity or construction of any treaty made under its authority, is drawn in question. . . ."

Section 6 provides:

"That the circuit court of appeals established by this act shall exercise appellate jurisdiction to review by appeal or by writ of error final decisions in the district courts and the existing circuit courts in all cases other than those provided for in the preceding section of this act, unless otherwise provided by law, and the judgments or decrees of the circuit courts of appeals shall be final in all cases in which the jurisdiction is dependent entirely upon the opposite parties to the suit or controversy, being aliens and citizens of the United States or citizens of different States; also in all cases arising under the patent laws, under the revenue laws, and under the criminal laws and in admiralty cases. . . .

"In all cases not hereinbefore, in this section, made final there shall be of right an appeal or writ of error or review of the case by the Supreme Court of the United States where the matter in controversy shall exceed one thousand dollars besides costs. . . ."

In view of the above sections of the statute, we contend

that we have the right of an appeal to the Supreme Court for the following reasons, to wit:

1. This case arises under the trade-mark laws of the United States, as the trade-mark involved is a registered trade-mark, No. 9,911, registered December 26, 1882, duly offered in evidence and reprinted on page 165 of Record.

2. Because this is a case in which the constitutionality of the statute of the United States authorizing the registration of trade-marks, and the institution of suits for their enforcement, is drawn in question, and involves the construction or application of the Constitution of the United States.

Considering more at length the first proposition, it is to be noted that the sections of the statute quoted unmistakably give jurisdiction to the Supreme Court in all cases not made final in the Court of Appeals by said sections of the statute, and as trade-mark questions are not made final nor mentioned in said section, it follows that an appeal in such cases must lie to the Supreme Court of the United States, where the matter in controversy shall exceed one thousand dollars, besides costs. In this case the proofs show that the matter in controversy exceeds two thousand dollars besides costs, as may be seen from the evidence on pages 179, 180 and 181 of Record.

Appellees in their brief contend that the suit, both as to the pleadings and as to the evidence, was based entirely upon the common-law trade-mark and not on the registered trade-mark. This is manifestly an error of fact.

PLEADINGS BASE SUIT UPON REGISTERED TRADE-MARK, AND PROOF SUPPORTS PLEADINGS.

On page 2 of the printed record, in paragraph 2 of the bill of complaint, it will be found the usual allegations are made regarding complainant being the proprietor of the trade-mark, and having filed in the United States Patent Office an application for registration, and having duly complied with the prerequisites for such registration, and having received certificate No. 9911, registered December 26, 1882, of which a copy was attached to the bill, marked "Exhibit A." And in the same paragraph it will be seen that it is duly set forth that such "trade-mark was used in commerce with foreign nations and Indian tribes, and especially in commerce with New South Wales and Victoria." The registration certificate is also referred to in paragraph 5 on page 3 of the Record. Again in paragraph 8 of the bill on page 5 of the Record it is asserted that the defendants were duly notified of the "registration in the Patent Office of his trade-mark, and has requested them to desist from their infringement of the same." And in paragraph 9, page 6 of the Record, it will be seen that prayer is specifically made that the defendants shall be enjoined from infringing "the trade-mark set forth in the certificate of registration and declaration issued out of the United States Patent Office as No. 9911," etc.

This reference to the bill of complaint we think will fully answer the contention of counsel for appellees that the pleadings rely entirely upon the common-law trade-mark and the jurisdiction of the court depends upon the diverse citizenship of the parties. It is true that the bill of complaint, in addition to setting up the registration of the trade-mark and asking for an injunction under the

rights conveyed thereunder, also sets forth in detail the property rights of the complainant in the trade-mark, and the fact that the defendants had violated such property rights and had been guilty of unfair competition in trade. These additional allegations were precautionary and such as are usual in all properly drawn bills of complaint based upon a registered trade-mark. They were especially necessary allegations in the circuit where the bill was brought, to wit, the Seventh Circuit, for in that circuit the Court of Appeals seems to pay no regard to registered trade-marks, and has on more than one occasion expressed doubts as to the constitutionality of the law relating to such registered trade-marks, notably in the case of *Illinois Watch Co.* v. *Elgin National Watch Co.*, 94 Fed. Rep., 667. Naturally, therefore, when this case was presented to the Court of Appeals of the Seventh Circuit one of the grounds put forward as giving jurisdiction to the court was that complainant had a common-law right to the trade-mark and that the parties were citizens of different states; but the right under the registered trade-mark was also insisted upon, both in the brief before the Court of Appeals and at the oral argument, and special attention called to the registered trade-mark printed in the Record. The Court of Appeals, however, seemed to pay no regard to the registered trade-mark, and intimated that it would dismiss the bill because the pleadings did not show that the parties were *citizens* of different states as well as residents of different states, whereupon the bill was, by agreement and with the approval of the court, amended to set forth this fact and the evidence likewise supplemented. The fact that the bill, as we have shown, specifically alleges the registration of the trade-mark and the complainant's rights thereunder and asks for an injunc-

tion for the violation of such trade-mark as registered (paragraph 9 thereof) shows conclusively that the pleadings recognize the registered trade-mark as a basis of right.

We note that on page 3 of appellees' brief on the motion to dismiss the point is made that there is no definite allegation and no showing that the complainant ever used the alleged trade-mark in commerce with a foreign nation or an Indian tribe since the year 1882, when two consignments were made to Australia. This is an entirely immaterial point, as we submit. Why should the complainant allege in his bill of complaint or even attempt to prove every use in commerce with foreign nations? There is nothing in the statute requiring any such allegation or proof, and nothing in sound sense to necessitate it. Complainant did allege, as is admitted, that the trade-mark was used in commerce with foreign nations prior to the registration and gave instances of nations with which it was so used, and that is amply sufficient. Complainant could have proceeded to prove that it had been used in commerce with almost every civilized foreign nation and probably during almost every month since the registration as well as before, but of what avail would that have been? It simply would have increased the bulk of the record without accomplishing any useful object. The essential feature to allege in the bill of complaint in regard to this matter, and to prove, was that the trade-mark had been used prior to the registration in commerce with foreign nations, and this was alleged in the trade-mark itself, was alleged in the bill of complaint, and is established by the evidence. On page 33 of the Record it will be found that Mr. Warner, the original complainant, testified that in 1881 he shipped goods

having this trade-mark to W. H. H. Lane, Sydney, N. S. W., Australia, the total value of which single shipment was over thirty-three pounds, or in other words, about $165.00; and in further evidence of the fact a copy of the page of the book in which this sale was recorded was by consent made on the Record. This is further confirmed by the testimony of F. M. Ramsey, answers 13 to 15, page 37, Record. Mr. Ramsey also refers to other shipments to foreign countries in his answer to question 40, page 40, Record. Mr. Remick, in answer to question 5, speaks of the shipments of advertising matter and samples to many countries. The registered trade-mark was also put in evidence and is reprinted on pages 165 and 166, Record.

We submit, therefore, that the pleadings and the evidence show that the registration was relied upon, and that the prerequisite as to alleging commerce with foreign nations and proving commerce with foreign nations was duly complied with.

It follows, therefore, that this case arises under the trade-mark laws of the United States, and therefore is not excluded from being appealed to the Supreme Court by the act establishing the Circuit Court of Appeals; but is expressly included in the last paragraph of Section 6, which provides that in all cases not made final by such section in the Court of Appeals there shall be a right of appeal to the Supreme Court.

We are absolutely unable to see any possibility of a different construction of the statute as to the jurisdiction of the Supreme Court, for its terms are explicit and unequivocal, and any other attempted interpretation would do violence to the express wording of such statute.

THE USE BY DEFENDANT IN COMMERCE WITH FOREIGN NATIONS IS QUESTION OF MERITS, NOT OF JURISDICTION.

We understand that the contention will be made in behalf of appellees that complainant in the Circuit Court has not adduced proof to the effect that defendants have used their trade-mark in commerce with foreign nations or Indian tribes, and for this reason cannot maintain its bill. It is proved beyond peradventure that complainant used its trade-mark in commerce with foreign nations prior to the filing of the bill of complaint, and, as we understand, this is admitted; and due proof has also been made that defendants have copied or counterfeited this trade-mark and used it on their goods. In view of this state of facts, we submit that the question raised by defendants as to lack of proof of the use of the trade-mark by complainant in commerce with foreign nations and Indian tribes is irrelevant to the question of jurisdiction, and instead goes to the merits of the case. In short, appellant submits that the jurisdiction of the lower court attached and the jurisdiction of the Supreme Court attached when the bill was filed and the registered trade-mark introduced in evidence and proof adduced that the complainant used its trade-mark in commerce with foreign nations, and perhaps even before this time. Whether or not defendants are proved to have used a similar trade-mark in commerce with foreign nations or Indian tribes, is a question not going to jurisdiction or the right of appeal, but appertaining to the merits of the cause. It is purely a question of infringement. Whether complainant was required to prove that defendant used a similar trade-mark in commerce with foreign nations or Indian tribes (which we deny, and will hereafter attempt to establish the pro-

priety of such denial), or whether it has adduced sufficient evidence to prove such fact, are questions which have nothing to do with the right of appeal or the jurisdiction of the court, but instead bear solely upon the proof of infringement, and should not be considered in connection with this motion to dismiss. We will discuss this question, however, under another heading.

THE STATUTE REQUIRES USE BY REGISTRANT IN FOREIGN COMMERCE. BUT NOT FOREIGN USE BY INFRINGER.

The Act of 1870 relating to trade-marks was declared unconstitutional by the Supreme Court in *U. S.* v. *Steffens,* 100 U. S., 82, and proceeding in the direction of the reasoning of the court, that trade-mark legislation could only be founded on the commerce clause of the constitution which related to commerce between the several states and between foreign nations and Indian tribes, Congress, by the Act of March 3, 1881, prescribed new restrictions with relation to the registration of trade-marks and suits in the federal courts under such registrations, the important point of which was to provide that as a prerequisite of such registration the owner of the trade-mark must have used it in commerce with foreign nations or Indian tribes. Section 7 of the Act of March 3, 1881, then provided that the registration of the trade-mark should be *prima facie* evidence of ownership, and that any person who should counterfeit it should be liable to an action on the case for damages, and that the party aggrieved should also have his remedy in equity to enjoin the wrongful use of such trade-mark and to recover compensation therefor, and that the courts of the United States should have original and appellate jurisdiction in such cases without regard to the amount in controversy.

The first question which arises under these sections of the Act of 1881 is, whether the use of a trade-mark so registered by a defendant operating entirely in the United States is capable of being enjoined by the federal courts, and if, as we contend, this question shall be answered in the affirmative, under the express wording of the statute, then, next, whether such a statute is valid under the constitution. In the case of *Elgin National Watch Co.* v. *Illinois Watch Case Co.*, 87 O. G., 2323, the Court of Appeals for the Seventh Circuit threw doubt upon the constitutionality of this clause of the statute. An appeal was taken to the Supreme Court of the United States, but the case went off on the question of merits, the court not passing upon the constitutionality of the Act of Congress. The Supreme Court seemingly, however, must have entertained a favorable view of the constitutional question or they would not have entertained the case at all. In other words, they assumed jurisdiction and passed upon the merits of the case, which, as we submit, was virtually a decision in favor of jurisdiction and the constitutionality of the Act of Congress. However, we will now discuss this matter in the several aspects of it which have been presented to us. Let us now examine carefully the exact language of the congressional enactment. The preamble of the section of the statute is as follows:

> "That owners of trade-marks used in commerce with foreign nations or with Indian tribes, provided such owners shall be domiciled in the United States or located in any foreign country, or tribes which by treaty, convention or law, afford similar privileges to citizens of the United States, may obtain registration of such trade-marks by applying, etc. . . ."

It will be seen by the foregoing quotation that in order to obtain registration a party must be first the owner of

the trade-mark; and, secondly, he must use it in commerce with foreign nations or with Indian tribes. These two conditions having been fulfilled he may obtain registration of such trade-mark. Section 3 of the same Act of Congress is of the same import, and it is as follows:

> "No alleged trade-mark shall be registered unless the same appear to be lawfully used as such by the applicant in foreign commerce or commerce with Indian tribes, . . . etc."

Now, in the present case Mr. Warner alleged in his bill of complaint that he had lawfully registered his trade-mark, and offered in evidence the registered trade-mark, in which it is asserted that he had used such trade-mark in commerce with foreign nations.

We next turn to Section 7 of the same act, and find the first sentence is as follows: "That registration of a trade-mark shall be *prima facie* evidence of ownership." So that, unless there was some proof to the contrary in this case, the proof of registration is sufficient to establish that Mr. Warner was the owner of the trade-mark, but not only is there no evidence against Mr. Warner's claim of ownership, but it is shown by the deposition of Mr. Warner himself, and by the deposition of Frank R. Ramsey, that he adopted the trade-mark as early as 1876 and prior to the registration used it in commerce with foreign nations, and particularly with New South Wales, to which country he adduced evidence of the shipment of goods with the trade-mark attached. There has been no attempt to dispute this evidence, and consequently it must be admitted that William R. Warner was the owner of the trade-mark, and duly complied with the prerequisites for its registration and duly obtained the registration.

The evidence also shows that the defendants used a similar mark upon goods sold in the State of Illinois and

elsewhere, and the question next to be considered is whether the counterfeiting of this mark and the use of the same on goods sold in Illinois is an infringement of the registered trade-mark, or must it be shown that the defendants not only copied and counterfeited such trade-mark, but that they used such counterfeit trade-mark in commerce with foreign nations or Indian tribes. This brings us to a consideration of the exact language of Sec. 7 of the Act of Congress of 1881, which is as follows:

> "SEC. 7. That registration of a trade-mark shall be *prima facie* evidence of ownership. Any person who shall reproduce, counterfeit, copy or colorably imitate any trade-mark registered under this act and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages for the wrongful use of said trade-mark, at the suit of the owner thereof; and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid, and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful act; and courts of the United States shall have original and appellate jurisdiction in such cases without regard to the amount in controversy."

This section of the statute makes four provisions, to-wit: First, that the registration of the trade-mark shall be *prima facie* evidence of ownership; second, it defines the offense in explicit language when it says, "Any person who shall reproduce, counterfeit or colorably imitate any trade-mark registered under this act and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages for the

wrongful use of such trade-mark, at the suit of the owner thereof," thus stating specifically that the counterfeiting of the registered mark and the affixing of such mark upon merchandise of substantially the same properties as those described in the registration is "the wrongful use" of said trade-mark. There is nothing here defining the wrongful use as a use in commerce with foreign nations or Indian tribes, but, on the contrary, a specific declaration by the legislature that the wrongful use of the registered trade-mark is the counterfeiting or colorable imitation of it and the affixing of the same to merchandise of substantially the same descriptive properties as those described in the registration. Third, there is the remedy provided in the action on the case for damages for such wrongful use. There seems to be no possibility of misunderstanding the language of this section of the statute, in so far as we have referred to it. The offense, the wrongful use, for which the party is liable to an action on the case, is stated plainly to be the counterfeiting of the registered trade-mark and affixing the same to merchandise having substantially the same descriptive properties, and it would indeed require judicial legislation, and, we submit, strong imagination, to understand these words to mean, not what they say, but additionally that after the mark properly registered shall have been counterfeited and affixed to goods having substantially the same descriptive properties, no action on the case for damages would lie unless the wrongful user should also sell the goods, so improperly marked, to foreign countries or Indian tribes. Congress does not say so, but unmistakably declares that the counterfeiting of the registered trade-mark and the affixing of it upon goods of the same descriptive properties shall be a wrongful use for which an action for damages will lie. The counterfeiting of the

registered mark and affixing it to goods of similar properties is defined to be the wrongful use, unrestricted by the locality to which said merchandise is to be sent by such wrongful user. It is manifest that this was the only way of giving an adequate remedy. If Congress had provided that in order to constitute the offense or wrongful use, not only should there be counterfeiting of the mark and the affixing of it to goods of similar properties by the defendant, but he should, as a third step, send such goods into foreign countries, it is manifest that the remedy would have been practically worthless. It would be impossible to follow every bottle or package sold anywhere in the United States with the mark upon it to its ultimate destination. Canadians, for instance, could step across the border into the United States and buy at points along the whole boundary line, quantities of the goods with the fraudulent trade-mark upon them, and subsequently export them into their own country. To attempt to reach and stop the persons who actually exported into Canada would be like attempting to stop each stream of a sprinkling cart by an individual valve instead of stopping the flow through the main pipe by a single valve. It was evidently the purpose of Congress to strike at the fountain-head by stopping the counterfeiting and affixing of the mark, instead of following each particular package into the hands of the consumer, and the language of the statute plainly expresses this idea. Whether this was within the power of Congress, we will presently discuss. It certainly seems to have been clearly its intention and is plainly expressed in its language. What, then, is the argument against this construction of the seventh section of the statute? It is based on the language after the semicolon in the section, which is as follows:

"and the party aggrieved shall also have his remedy

according to the course of equity to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid."

It is argued that according to this section of the statute equity may only interfere to enjoin the use of the counterfeited trade-mark in foreign commerce or commerce with Indian tribes. In the first place, this interpretation of the second clause of the section would be antagonistic to the plain expression in the first clause, and would give a remedy in equity more limited and restricted than the remedy at law, for, as we have seen, the remedy at law is expressly stated to be applicable against any one who counterfeits the trade-mark and affixes it to merchandise of the same descriptive properties, which is characterized as a wrongful use, and yet it is urged that in equity the statute intends to give jurisdiction only when this trade-mark is used by the defendant in foreign commerce or commerce with Indian tribes. This, we submit, is a construction which would make the two clauses of the section opposed to each other, and therefore one which under the rules of interpretation should not be adopted. And, besides, the language itself, when fairly construed, does not bear the interpretation thus argued for it. In the first place, it provides that the remedy according to the course of equity is to enjoin the wrongful use, which has already been defined in the statute as a counterfeiting and affixing of the trade-mark, without reference to the point of consumption of the goods. Again, this second clause of the section refers to the wrongful use of "*such* trade-mark," and the only trade-mark which can be referred to by "such" is the registered trade-mark, the wrongful use of which is to counterfeit and affix to goods. Further, the language employed says, "the

wrongful use of such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid." These words, *"as aforesaid,"* have great significance in this connection. They cannot be understood as redundant or useless, and the only trade-mark before referred to in the section and which must therefore be intended by the words "as aforesaid," which was used in foreign commerce or commerce with Indian tribes is the registered trade-mark. Now, let us make a comparison of the two interpretations of this second clause of Sec. 7 of the act, and see which is more natural. We contend that the clause should be read as follows:

> "and the party aggrieved (that is, the complainant) shall also have his remedy according to the course of equity to enjoin the wrongful use or counterfeiting of the trade-mark used by complainant in foreign commerce or commerce with Indian tribes, as aforesaid."

The other interpretation would make the clause read:

> "and the party aggrieved (the complainant) shall also have his remedy according to the course of equity to enjoin the wrongful use or counterfeiting of such trade-mark used by defendant in foreign commerce or commerce with Indian tribes, as aforesaid."

By our interpretation the words "as aforesaid" refer to the word "used," and mean used by complainant, because no one else has been described by the act as having used the trade-mark in foreign commerce. By the other interpretation the words "as aforesaid" refer to the word "used" in connection with the defendant, but as the defendant had not before been mentioned in the act as having used the trade-mark in foreign commerce, the words are not correct and not applicable. In Sections 1, 2 and 3 of the act the complainant's mark was described as be-

ing used in commerce with foreign nations or Indian tribes, and therefore the words "as aforesaid," when coupled with the use in foreign commerce, etc., necessarily refer to the use by the complainant, for the defendant had never been described as having used the trade-mark in commerce anywhere, but merely referred to as the counterfeiter who had affixed the trade-mark to goods of the same properties.

Why should the section referred to, in the second clause thereof, employ the word "use" just before the word "trade-mark," and the word "used" just after the word "trade-mark," if in both instances the person referred to was defendant? By "use" was certainly meant defendant's use, and if it was also meant that the word "defendant" should come after "used" so that it would read "trade-mark used by defendant," then the sentence would be tautological and awkward. If, on the other hand, reference was had to wrongful use by defendant of such trade-mark used by complainant in foreign commerce or commerce with Indian tribes, as aforesaid, then the sentence was clear and the employment of the two words was necessary, for it was an equivalent way of saying the trade-mark registered to complainant. The whole expression "trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid," is manifestly employed to designate the thing that was infringed, that is, the complainant's trade-mark, and not the act of infringing which constituted the wrongful use. Thus interpreted, all the parts of the section, and indeed of the other sections of the statute, harmonize and become consistent with each other. There is no difficulty in interpreting the section unless it is attempted to apply it to defendant's use, and then comes doubt, conflict with other

clauses of the statute, the necessity of construing some of the words as superfluous, and the absolutely inaccurate use of the expression "as aforesaid." Additionally we have under this last form of interpretation the remedy at law expressly applied to the mere counterfeiting and affixing, and the remedy in equity more limited, with no reason for this difference. In view of these considerations, we submit that it is perfectly clear that the statute intended that the wrongful use for which remedial action was given should be the counterfeiting and affixing, irrespective of the locality to which the goods were to go.

The legality of the registration depends of course on use in a foreign trade by the registrant, and this was made necessary by the construction of the constitution adopted by the Supreme Court in the case before cited, but nothing more was necessary and nothing more was therefore required by Congress in order to establish the right. Congress was manifestly legislating in the interests of *bona fide* owners who ought to have properly the exclusive right to their marks, and it would naturally go as far as it could in protecting that mark so as to prevent its fraudulent use anywhere, which it could and did do, by plainly enjoining the counterfeit imitation of such mark and the affixing of the same to goods having similar properties. There is every reason, therefore, for construing the statute broadly in this respect, and none for construing it in the more restricted manner.

THE CONSTITUTIONALITY OF THE TRADE-MARK ACT IS DRAWN IN QUESTION.

Assuming, then, that the statute merely requires that the owner of the trade-mark shall establish use in commerce with foreign nations or Indian tribes, and that being done inhibits the counterfeiting of such trade-mark and affixing it to goods having similar properties as the registered trade-mark, is such a statute constitutional? We submit that it is. Art. I, Sec. 8, Par. 3, of the constitution gives Congress power "to regulate commerce with foreign nations, and among the several states, and with the Indian tribes," and supplements this by paragraph 18, which authorizes Congress "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers." These powers have been recognized by the Supreme Court many times. *Addyston* v. *United States*, 175 U. S., 211, 228; *United States* v. *Joint Traffic Assn.*, 171 U. S., 505; *Gibbons* v. *Ogden*, 9 Wheaton, 196; *Brown* v. *Maryland*, 12 Wheaton, 419. Congress is therefore the sole judge as to what laws are necessary and proper for carrying into execution the power thus given. This was decided in *McCulloch* v. *Maryland*, 4 Wheaton, 316, where it was said:

> "The sound construction of the constitution must allow to the national legislature that discretion, with respect to means with which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people." . . .

Following the doctrine of that decision, it will be seen that Congress has in the present instance legislated regarding trade-marks and their infringement in a manner which, while strictly within the powers conferred upon it by the constitution, yet is most beneficial to the people.

Of course we do not mean to say that the courts should have the power or right to inquire whether trade-marks bear such relation to commerce as to bring them within legislative control, for that was distinctly affirmed in Trade-Mark Cases, 100 U. S., 95, but the indications of the same decision are to the effect that trade-marks do come within the commerce clause of the constitution, and that being so, Congress has the right, as before stated, to use its discretion in carrying out the spirit of the constitution in such a manner as will be most beneficial to the people. In *Hopkins* v. *United States*, 171 U. S., 578, the Supreme Court interpreted interstate commerce as:

> "intercourse for purposes of trade in any and all its forms, including transportation, purchase, sale, and the exchange of commodities between citizens of different states, and the power to regulate it embraces all the instrumentalities by which such commerce may be conducted."

Now, a trade-mark is one of the instrumentalities by which commerce is conducted. It is a distinguishing mark placed upon goods for the purpose of indicating the origin and ownership, and its very purpose is to advise people at a distance from the manufacturer that this is the goods of that particular manufacturer; and it has been decided by the Supreme Court that the power of Congress over commerce with foreign nations is co-extensive with its power over interstate commerce. *Bowman* v. *Chicago & North Western Ry. Co.*, 125 U. S., 465.

The enactments of Congress, therefore, relating to trade-marks and their violation are a part of the necessary legislation for carrying into execution the power given to the constitution to regulate commerce with foreign nations and among the several states, and as we have seen, the discretion is vested in Congress to make

these regulations in accordance with the best interests of the people. If trade-marks had no connection with commerce, legislation with reference to their protection and violation must necessarily be a mere usurpation of power; but if they have any material connection with it, then the power and duty of Congress to regulate their use in commerce with foreign nations would seem to be unquestionable. The name "trade-mark" itself indicates that it is a mark connected with commerce or trade, and therefore an instrumentality such as is referred to in *Hopkins* v. *United States, supra.* A trade-mark has likewise been decided to be "a property right," Trade-Mark Cases, 100 U. S., 82, and "is a subject of commerce," *Fulton* v. *Sillers*, 4 Brews., 42 Pa.

If, then, a trade-mark is a property right and is a subject of commerce, as has been established by the decisions referred to and Congress has the right by legislation to regulate the manner of carrying into execution the commerce with foreign nations including this subject of commerce—a trade-mark—then why has it not the right in its own discretion, and in the direction of what it regards as the best interests of the people, to enact the statutes to which we have heretofore referred relating to trade-marks? It is manifestly much better for the owner of the trade-mark, and much better for the public at large, that a trade-mark which has been proved to be actually used in commerce with foreign nations by a registrant, and which has the seal of the Patent Office upon it, shall be protected against counterfeiting absolutely rather than partially. It is much better for the owner of the trade-mark, and for the public at large in this and in foreign countries with whom the commerce is carried on, that the trade-mark which the public has associated with a particular class of goods manufactured by a particular

person, firm or corporation, shall not be counterfeited or imitated at all, and that there shall be a remedy prescribed to prevent such counterfeiting or simulation, irrespective, however, of where the original copying is done. It is much better for the public and the owner of the trade-mark that Congress shall strike at the fountain-head and cut off the source of the simulation or counterfeiting, rather than to attempt to follow each article, upon which the simulation is placed, to its ultimate destination, which latter would be an impracticable journey. Congress in these sections of the statute referred to has said in effect: The constitution permits us to regulate commerce with foreign countries and to use our discretion as to the instrumentalities necessary to best protect the public; and in the exercise of that discretion we deem it for the best interests of the rightful owners of trade-marks who are using such trade-marks in commerce with foreign countries, and therefore have the right to appeal to us for protection, to prohibit the counterfeiting or imitating of these trade-marks and the affixing of the same upon goods of like nature, irrespective of the locality where the infringers' goods are to be used. The property right is the trade-mark, not the commodity to which it is attached. Congress has the right to say, as commerce with foreign nations is likely to be injured by the copying or counterfeiting of a trade-mark which is used in such commerce, we prohibit the counterfeiting or imitation of such trade-mark and affixing the same to similar goods, and do this as a necessary instrumentality to protect the owner of the trade-mark in his use of the same in commerce with foreign nations, and the public in their belief in the integrity of the mark which we have guaranteed by registration as indicative of ownership. It was in this same spirit that by the act of Oct. 1, 1890, Con-

gress required that imported articles of foreign manufacture should not be admitted to entry unless "plainly marked, stamped, branded or labeled in legible English words, so as to indicate the country of their origin." If Congress had full authority over the subject of marks employed in such commerce, why has it not full authority over marks employed in export commerce? In the one case it provides that goods cannot come into the country unless properly marked; and in the other case it provides that goods cannot leave the country or the manufacturer's hands if they are improperly marked in a manner simulating a mark that has habitually been applied to goods leaving the country by its rightful owner. Congress must get its jurisdiction, it is true, from international commerce, but having once acquired that jurisdiction by virtue of international commerce in which the trade-mark is employed, it can provide a remedy against interference with that international commerce, which will be an adequate remedy, by stopping such interference at its point of beginning, and not awaiting its journey over innumerable roads. Congress has said to every owner of a trade-mark: "Establish your right to that trade-mark and establish that you are using it in commerce with foreign nations or Indian tribes, so as to give us the justification for protecting you in that trade under the constitution, and we, in behalf of the people and under the powers given us by the constitution, will stop fraudulent and improper interference with that trade by the means best adapted to that end, to-wit, by directing the courts to enjoin parties who counterfeit the trade-mark and affix it to goods of a similar description, whether such goods are sent abroad by the parties making them or not, for we appreciate that the danger of interfering with this foreign commerce threatens immediately the

goods are manufactured and marked, and unless we authorize the stopping of this impending danger as soon as it threatens irreparable loss is likely to result. Congress evidently foresaw the impracticability of preventing the goods with the fraudulent mark being sent across the border unless the counterfeiting of the mark itself was prohibited; and foresaw that to apply the remedy after the damage was done—that is, after the goods were sent across the border—would be entirely inadequate, and for that reason declared that the wrongful use of a duly registered trade-mark, which trade-mark had been used in commerce with foreign nations, might be stopped by resort to equity and thus the danger which threatened the moment the counterfeiting of the mark and affixing it to the goods happened could be avoided and rendered harmless. It was the only way to provide an adequate remedy, and it was adopted.

We submit that this interpretation of the Act of Congress not only brought the Trade-Mark Statute within the purview of the constitution, but likewise complied with the letter of the *Statute*, and with the object and spirit of the act, and provided an adequate remedy which is the only one which would suffice in view of the purpose intended. The contrary interpretation to the effect that Congress intended only to inhibit the use of the trade-mark in commerce with foreign nations by the infringer would be against the language of the statute, antagonistic to its purpose, and practically destroy the whole value or protection intended to be afforded by the statute. It is not necessary to cite authorities to establish the rule that the interpretation of a statute which would be in harmony with its letter and in harmony with its spirit and purpose is to be preferred to a construction which would

be a strained use of the language employed and which would utterly defeat the spirit and object of the law.

We submit that an appeal to the Supreme Court in the present case is therefore additionally necessary, because the constitutionality of the statute of the United States authorizing the registration of trade-marks, and the institution of suits for their enforcement, is drawn in question, and because the case involves the construction or application of the constitution of the United States to a particular course of action: both of which grounds are declared by the statute establishing the Circuit Court of Appeals as authorizing an appeal to the Supreme Court.

And finally, the facts of this case bring it within the federal statute relating to the registration of and violation of trade-marks and the remedy for the enforcement of the law. As we before observed, however, whether or not the fact of use by the defendant in commerce with foreign nations is a vital question, is not properly up for solution at the time of the consideration of the motion to dismiss this appeal, for that is a question relating to the proof of infringement, and properly should come before the Supreme Court at the time of the consideration of the appeal on its merits.

By way of recapitulation we, therefore, submit:

1. That the appeal to the Supreme Court is permissible because the suit was brought under the Act of Congress relating to the registration and violation of trade-marks, and as cases of such nature are not excluded by inhibitions of the statute establishing the Circuit Court of Appeals and their jurisdiction, it follows that by the last paragraph of Sec. 6 of such statute the right of appeal to the Supreme Court is absolute.

2. An appeal to the Supreme Court is proper in this

case, because it involves the construction or application of the commerce clause of the constitution of the United States.

3. An appeal to the Supreme Court of the United States in this case is permissible, because the constitutionality of the statute regarding trade-marks is drawn in question.

FRANK T. BROWN,
SAMUEL E. DARBY,
Counsel for Appellants.